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C O N F I D E N T I A L DAMASCUS 000188

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DEPT FOR NEA/ELA, NEA/FO, EEB/ESC/TFS; NSC FOR
SHAPIRO/MCDERMOTT; COMMERCE FOR BIS/TCHRISTINO; TREASURY
FOR HAJJAR/CURTIN

E.O. 12958: DECL: 03/02/2019
TAGS: [EAIR](#) [ETRD](#) [ETTC](#) [PTER](#) [PGOV](#) [CA](#) [JO](#) [SY](#)
SUBJECT: JORDANIAN COMPANY REPORTEDLY LEASING AIRBUS A320
TO SYRIAN AIR

REF: A. DAMASCUS 120
 [1](#)B. 08 DAMASCUS 438
 [1](#)C. 08 DAMASCUS 599
 [1](#)D. 08 DAMASCUS 661

Classified By: Charge d'Affaires Maura Connelly for reasons 1.4(b,d)

Summary

[11.](#) (C) Civil aviation-related rumors are again rampant in Damascus one month after SARG officials publicly announced that Boeing had received U.S. export licenses to perform airframe overhauls (D-checks) on Syrian Air's two 747-SPs. On March 1, a semi-independent daily published a report that a Jordanian company would lease an unspecified number of Airbus A320s to Syrian Air. The report was corroborated on March 9 by a reputable subscription-based website. Contacts also report that the nominal head of Syria's first private airline, Cham Pearl, has publicly announced the successful conclusion of a deal to lease aircraft from the Canadian Bombardier company. The flurry of aviation rumors have perpetuated the mistaken impression among Syria's business community and many foreign diplomats that U.S. economic sanctions against Syria will soon be lifted. End summary.

Jordanian Company to Lease Airbus A320 to Syrian Air

[12.](#) (C) The semi-independent daily Al-Watan reported on March 1 that the "Jordanian Company for Aviation" had signed a contract to lease an unspecified quantity of Airbus A320 aircraft to Syrian Air. On March 2, the same newspaper reported that Syrian Air officials had confirmed the Jordanian deal, and indicated the first A320 would be delivered to Damascus in a matter of days. A subscription-based economic news website, "The Syria Report," ran the story on March 9, adding that Syrian Air intends to lease a total of three A320s from "Jordan Aviation (JA), a privately-owned commercial airline based in Amman." The Syria Report qualified its article with the caveat that "according to records," Jordan Aviation only owns one A320. Local aviation industry contacts speculate the deal, if true, was likely engineered by Khaldun Makhlof, cousin of

Specially Designated National Rami Makhlof and owner of the Julia Dumna tourism company. Among his business holdings, Khaldun Makhlof is also the Syrian agent for Royal Jordanian Airlines.

Bombardier Leasing to Cham Pearl?

¶ 13. (C) Embassy sources report that Dr. Abdul Rahman Attar -- a dual Syrian-Canadian citizen and nominal head of Cham Pearl, the first private Syrian airline -- told the 60-plus partners in Cham Holding Company at a March 9 meeting that the Canadian Bombardier company had signed a contract to lease aircraft to Cham Pearl. As reported in ref B, Cham Holding Company owns 40 percent of Cham Pearl, with Syrian Air owning 25 percent and the Kuwaiti al-Aqeelah Investment Company holding the remaining 35 percent. Sources speculate that Attar, who heads the Syrian Arab Red Crescent and has no aviation industry background, was chosen by Cham Holding founder Rami Makhlof to front the airline due to his close relationship with the Canadian Embassy.

Brazilian Embraer Wants to Compete

¶ 14. (C) In mid-February, Brazilian Ambassador Edgard Casciano (protect) requested a meeting with Emboffs to clarify the current status of U.S. trade sanctions against Syria in light of on-going media coverage of export licenses granted to Boeing. According to Casciano, the Brazilian government

would like private Brazilian aircraft manufacturer Embraer to sell aircraft to Cham Pearl if U.S. sanctions no longer preclude such a transaction. Casciano confirmed that Cham Pearl's partners had actively courted both Embraer and Canadian Bombardier since the airline's founding in 2007 (refs B, C). He said Embraer representatives in Paris had rebuffed the Syrian overtures in 2008 as not worth risking Embraer's largest market -- the United States)- but the Brazilian government did not want Embraer to lose a potential deal to Bombardier if U.S. sanctions were about to be lifted.

Asad Complains About Sanctions

¶ 15. (C/NF) Casciano confided that President Asad had raised the issue of U.S. sanctions and their impact on civil aviation when the Brazilian Ambassador had presented his credentials in summer 2008. In the initial meeting, Casciano had conveyed an invitation to Bashar to visit Brazil during a future tour of Latin American capitals. Bashar had expressed his desire to accept the invitation, but complained that he did not have a presidential aircraft capable of making the trans-Atlantic flight due to U.S. sanctions.

Comment

¶ 16. (C) It is our understanding that DOC/BIS experts as recently as summer 2008 deemed such leases as violations of U.S. trade sanctions if the leased aircraft contain greater than 10 percent component parts of U.S. origin. Given our close relationships with the Jordanian and Canadian governments, we will be surprised if Syrian media reports turn out to be accurate. In our estimation, however, Attar is unlikely to have risked his credibility with the Cham Holding partners if the Bombardier lease agreement was entirely baseless.

¶ 17. (C) Syrian Air's apparent desire to lease an Airbus A320 from Jordanian Aviation is indicative of the airline's priorities. As reported in ref D, Syrian Air is primarily concerned with maintaining its fleet of six A320s, one of

which is grounded awaiting the return of an engine from a Lufthansa maintenance facility in Germany. In his March 7 meeting with NEA Acting A/S Feltman and NSC Senior Director Shapiro, FM Muallim raised the issue of an export license for the A320 engine (septel).

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